

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Michelle Lujan Grisham**  
Governor

**Sarah Cottrell Propst**  
Cabinet Secretary

**Todd E. Leahy, JD, PhD**  
Deputy Cabinet Secretary

**Dylan M. Fuge, Acting Director**  
Oil Conservation Division



Mr. Stephen Janacek  
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NON-STANDARD LOCATION

**Administrative Order NSL - 8544**

**OXY USA INC. [OGRID 16696]**  
**Corral Fly 02 01 Well No. 34H**  
**API No. 30-015-44588**

**Proposed Location**

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1275 FSL & 240 FWL	M	2	25S	29E	Eddy
First Take Point	1889 FSL & 149 FWL	L	2	25S	29E	Eddy
Last Take Point	1926 FSL & 179 FWL	L	2	25S	29E	Eddy
Terminus	2213 FSL & 143 FEL	I	1	25S	29E	Eddy

**Proposed Horizontal Units**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
NW/4 SW/4 of Section 2	40	Pierce Crossing; Bone Spring, East	96473

Reference is made to your application received on March 1<sup>st</sup>, 2023.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. 19.15.16.15(B)(1)(a) NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal oil well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal well's completed interval penetrates, each of which consists of a governmental quarter - quarter section or equivalent.

This well's completed interval is as close as 149 – 179 feet to the western edge of the horizontal spacing unit. Encroachment will impact the following tract(s).

Section 03, encroachment to the NE/4 SE/4 - "I"

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in 19.15.2.7(A)(8) NMAC, in all adjoining units towards which the proposed location encroaches.

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Division understands you are seeking this unorthodox location due to this well being recompleted into the Bone Spring Formation. While preventing waste within the formation underlying NW/4 SW/4 of Section 02.

Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

Per 19.15.15.13 (B) NMAC, **Division approves this unorthodox location.**

Reference this NSL order number on the As Drilled C-102 submitted with the Authorization to Transport, to place this well into production.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.



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**DYLAN M. FUGE**  
**DIRECTOR (ACTING)**  
DMF/lrl

**Date:** 3/27/23

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 Phone:(575) 393-6161 Fax:(575) 393-0720

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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

CONDITIONS

Action 201576

**CONDITIONS**

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 201576
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

**CONDITIONS**

Created By	Condition	Condition Date
llowe	None	3/28/2023